



For members

When was the last time you looked at your pension?

10 years from retirement



Our records show that you intend to take benefits from your pension pot in 10 years' time. If you're planning to take benefits at a different time, you can change your target retirement date at aegon.co.uk/targetplan or by contacting us.

You may think that 10 years is a long way away, but if you haven't thought about how you'd like to use your pension pot you really need to think about what you'd like to do now.

The earliest you can access your pension under current legislation is age 55 (increasing to age 57 on 6 April 2028).

There's a great deal of choice as to how you can use your pension pot and that might determine how you invest it in the years before you retire.

There are different ways that you can take benefits from your pension pot when you retire:

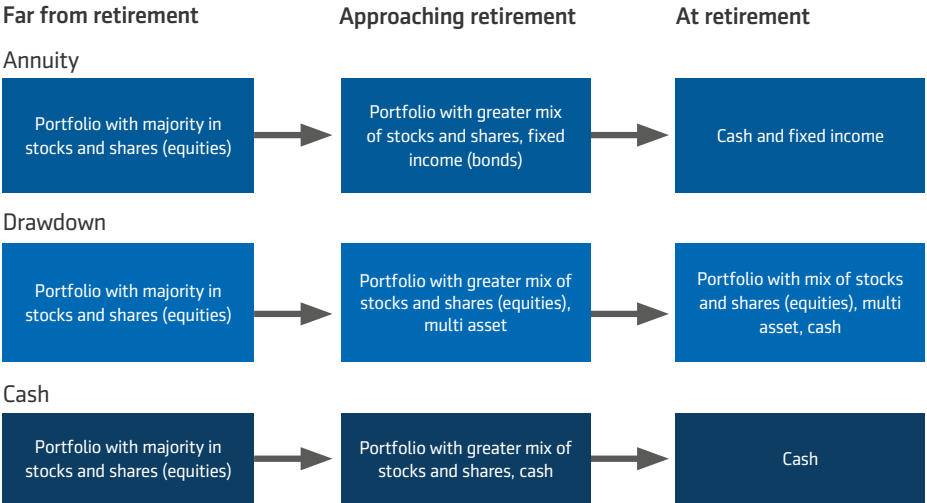
Tax-free cash lump sum: Most people are able to take up to 25% of their pension pot as tax-free cash. You can take the remaining pot as:

- 1 Annuity:** With an annuity, you give your pension pot to an annuity provider who in turn pays you a guaranteed income until your death. You can add on extras like index-linking, where the income goes up each year, or a pension for your spouse that would be paid if you die before them. As annuity rates can change substantially and rapidly, there's no guarantee that when you do purchase an annuity the rates will be favourable. This could mean that your pension thereafter may be less than you hoped for.
- 2 Income drawdown:** With income drawdown, you keep your pension pot, and keep it invested. Any money generated from those investments or the capital itself can provide you with an income. The value of an investment, and any income you take from it, can fall as well as rise and isn't guaranteed. You could get back less than has been paid in.
- 3 Cash:** You can also take some or all of your pension pot as a cash lump sum, but only the first 25% of your pension pot is tax free and the remaining 75% is subject to income tax. This information is based on our understanding of current taxation law and HMRC practice, which may change.

You can even choose to have a combination of these.

Why should I be looking at my pension pot now?

As there is so much flexibility as to how you can use your pension pot, you need to decide how you invest your pot in the years before you take your benefits. Aligning the way your investments are held as you approach retirement is a good way of planning to access your pension pot in the way you want. The diagram below shows you examples of different investment approaches, for some different circumstances and benefit options:



These examples aren't recommendations and only aim to show a range of different investment options. Please speak to a financial adviser if you're unsure which option is right for you.

If you've previously selected a LifePath or Lifestyle fund, the transition of your investments from far from retirement to approaching retirement is done automatically. You also have the option to decide yourself by selecting your own funds. It's important that you look at where your pension pot is currently invested and see if it matches your future plans. For advice as to whether a fund is suitable for you, please speak to a financial adviser.

Where can I get more information?

Sign into your account at aegon.co.uk/targetplan where you can get information about funds, how you can take your pension pot, and a pension calculator which can help you answer all of these questions. You can also change your target retirement date online, but please remember that we can't give you advice so you may want to speak to a financial adviser before doing so. For details of local financial advisers visit moneyhelper.org.uk/choosing-a-financial-adviser. There may be a charge for getting advice.

For free and impartial guidance to help you understand what you can do with your pension pot visit [Pension Wise](#), a service from MoneyHelper which is backed by the government. If you're over age 50, you can arrange an appointment with Pension Wise - this can be face-to-face or by telephone.

Please note: This leaflet can only give you a brief overview of pension benefit options, in general terms. Some options may require a minimum pot value, so may not be available to everyone. Not all schemes offer all of the retirement options and you may have to transfer out to another scheme to access some of the options.

Pension scams

Find out what to look for and how to protect yourself and your retirement savings at aegon.co.uk/support/faq/Keeping-you-safe/pension-scams.html

What else can I do?

- 1 Sign into or register onto TargetPlan aegon.co.uk/targetplan and use the retirement planning tools to help you work out how much income you might need when you stop working. If you've never used your online account, you'll need to activate it first before signing in. It only takes a few minutes to get started, all you'll need is your account number, which you'll find on your annual statement and your National Insurance number.

- 2 Once you've registered for TargetPlan, after 24 hours, you can download and register for the Aegon app. Thanks to the app, you can check on your pension and make changes, wherever you are. Sign in is quick and secure - you'll be able to use fingerprint or face recognition for added security. The **Aegon UK** app is free. Visit the iTunes App Store or Google Play Store to get started.
- 3 Is your target retirement age correct? If not, you can change your target retirement date at aegon.co.uk/targetplan or by contacting us.
- 4 List all of your existing pensions plans and their current value. Knowing what you've got now will help you to understand where your savings are versus where you want them to be.
- 5 Check your State Pension and find out when you will receive it. You can request a forecast of how much it will be at gov.uk/check-state-pension
- 6 Think about whether you're saving the right amount to reach your required income figure.
- 7 Think about how you might like to take your pension pot, for example:
 - Tax-free cash lump sum
 - Annuity
 - Income drawdown
 - Cash
 - A combination of the above

- 8 Check your funds and review your choices if necessary. Decide if you want to make changes:
- Due to fund performance
 - To change the level of investment risk, or perhaps
 - To align the funds to the way you want to use your pension pot at retirement.

For advice as to whether a fund is suitable for you, please speak to a financial adviser – there may be a charge for this.

- 9 If you're aged 50 or over, you can book a free appointment to speak with someone at Pension Wise - appointments are available by phone or face to face. They'll talk you through your options to help you make an informed choice when you access your pension savings. You can book your appointment online (moneyhelper.org.uk/pensionwise) or by calling them on 0800 138 3944.

The government want to encourage members to make use of this service and therefore when applying to take your benefits you'll be asked if you've either had guidance from Pension Wise or you're willing to opt out of having guidance.

- 10 Put a note in your diary to do this again in a year's time.

Want to know more?



0345 601 7721



@aegonuk



my.pension@aegon.co.uk



Aegon UK



aegon.co.uk/targetplan



Aegon UK

Our email system and the way we deal with data internally is secure. However, we're unable to ensure the security of emails before they reach us so please consider this and do not include any personally sensitive, financial or banking information that hasn't been appropriately secured.

If you have access to our online services, you may be able to log in and complete your action securely.

If your personal circumstances mean you need any additional support, or if you'd like a large print, Braille or audio CD version of this document, please call 03456 081 680 (call charges will vary) or visit aegon.co.uk/onlineform



Aegon is a brand name of Scottish Equitable plc. Scottish Equitable plc, registered office: Edinburgh Park, Edinburgh EH12 9SE. Registered in Scotland (No. SC144517). Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Financial Services Register number 165548. © 2023 Aegon UK plc

WP384772 06/23